



## Senate

General Assembly

**File No. 456**

February Session, 2008

Substitute Senate Bill No. 678

*Senate, April 4, 2008*

The Committee on Government Administration and Elections reported through SEN. SLOSSBERG of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT ESTABLISHING A COMMUNITY-BASED HEALTH AND HUMAN SERVICES STRATEGY BOARD.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective from passage*) (a) There is established a  
2       Community-Based Health and Human Services Strategy Board that  
3       shall make recommendations concerning a long-term funding solution  
4       for the provision of grants to community providers, under purchase of  
5       service contracts, for the provision of ongoing direct health and human  
6       services for state agency clients. Such board shall consist of the  
7       following voting members who shall be appointed as follows: (1) Two  
8       by the Governor, one of whom shall be a provider of health and  
9       human services and one of whom shall be a parent of a child or adult  
10      with disabilities; (2) one by the speaker of the House of  
11      Representatives, who shall have knowledge in the area of social  
12      services; (3) one by the president pro tempore of the Senate, who shall  
13      have knowledge of the labor market; (4) one by the majority leader of  
14      the House of Representatives, who shall have knowledge of

15 economics; (5) one by the majority leader of the Senate, who shall have  
16 knowledge of Medicaid policy; (6) one by the minority leader of the  
17 House of Representatives, who shall have knowledge of bonding; (7)  
18 one by the minority leader of the Senate, who shall have knowledge of  
19 purchase of service agreements or education; (8) one by the speaker of  
20 the House of Representatives upon the recommendation of the chief  
21 executive officer of the Connecticut Community Providers Association;  
22 (9) one by the president pro tempore of the Senate upon the  
23 recommendation of the executive director of the Connecticut  
24 Association of Nonprofits; (10) one by the majority leader of the House  
25 of Representatives upon the recommendation of the executive director  
26 of The Arc of Connecticut; (11) one by the majority leader of the Senate  
27 upon the recommendation of the president of SEIU 1199; (12) one by  
28 the minority leader of the Senate upon the recommendation of the  
29 executive director of Council 4 AFSCME; and (13) one by the minority  
30 leader of the House of Representatives upon the recommendation of  
31 the Connecticut Nonprofit Human Services Cabinet. The following  
32 persons, or their designees, shall be ex-officio, nonvoting members of  
33 such board: The Secretary of the Office of Policy and Management, the  
34 Executive Director of the Court Support Services Division of the  
35 Judicial Branch and the Commissioners of Developmental Services,  
36 Correction, Public Health, Mental Health and Addiction Services,  
37 Children and Families and Social Services.

38 (b) All initial appointments to the board shall be made not later than  
39 August 1, 2008. Any vacancy thereafter shall be filled by the  
40 appointing authority. The members appointed by the speaker of the  
41 House of Representatives and the president pro tempore of the Senate,  
42 pursuant to subdivisions (2) and (3) of subsection (a) of this section,  
43 shall each serve as cochairpersons of such board. Such cochairpersons  
44 shall convene the first meeting of the board not later than September 1,  
45 2008.

46 (c) The board may, within available appropriations, contract with  
47 consultants having expertise in the areas of economics, labor, higher  
48 education or accounting to assist the board in carrying out its duties,

49 and it may receive funds from any public or private source to carry out  
50 its activities.

51 (d) The board shall make recommendations to the Governor and the  
52 General Assembly concerning the development of a state-wide  
53 strategic plan for the continued provision of state-funded, community-  
54 based health and human services. Such recommendations shall  
55 include: (1) Strategies to provide consistent funding for the provision  
56 of such services and cost-of-living and other fiscal adjustments in  
57 payments to providers of such services using an indexing option such  
58 as the Consumer Price Index, the Medical Consumer Price Index, the  
59 Home Health Market Basket administered by the federal Centers for  
60 Medicare and Medicaid Services, or any other indexing option used in  
61 this state or other states; (2) a budget to implement the indexing option  
62 described in subdivision (1) of this subsection that is recommended by  
63 the board; and (3) a budget and plan for stabilizing the service delivery  
64 system until such indexed payments are allocated.

65 (e) The board shall conduct research and an analysis that concerns  
66 the problem of the delivery and funding of health and human services.  
67 Such research and analysis shall include: (1) An analysis of the impact  
68 of differential wages on the provision of services in the private and  
69 public sectors, including statistics on the wages and benefits of private  
70 sector, public sector and private sector unionized employees in the  
71 human services field; (2) the impact of standard wage legislation in the  
72 state; (3) a comparison of the compounded Medical Consumer Price  
73 Index to the cost-of-living allocations made to providers of services  
74 over the previous twenty-year period; (4) an analysis of the percentage  
75 increase in the cost of health insurance, workers' compensation  
76 insurance, property casualty insurance and energy costs since 2000,  
77 and a projection of the percentage increase of such costs until 2013; (5)  
78 projected labor market trends until 2013; and (6) any other additional  
79 research or analysis the board deems necessary to accomplish the  
80 board's duties described in subsection (d) of this section.

81 (f) Not later than January 1, 2009, and each October first thereafter,

82 the board shall submit a report, in accordance with section 11-4a of the  
83 general statutes, that details the board's: (1) Proposed budget  
84 recommendations, as described in subsection (d) of this section; (2)  
85 research and analysis, as described in subsection (e) of this section; and  
86 (3) proposed policy changes to the Governor and the joint standing  
87 committees of the General Assembly having cognizance of matters  
88 relating to appropriations, public health and human services.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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**GAE**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

The bill establishes a Community-Based Health and Human Services Strategy Board that shall study and make recommendations concerning a long-term funding solution for community providers. The Board shall include as ex-officio, nonvoting members representatives of various state agencies that contract with private providers; these members will be able to perform their duties on the Board within their respective agency's resources.

The Board may, within available appropriations, contract with consultants to carry out its duties. There is no funding for the Board within PA 07-1 JSS (the Biennial Budget) or sHB 5021 (the budget bill) as favorably reported by the Appropriations Committee. Until such time that appropriations are made, or the Board receives funding from other sources, it is anticipated that no contracts will be entered into.

**The Out Years**

**State Impact:** None

**Municipal Impact:** None

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**OLR Bill Analysis****sSB 678*****AN ACT ESTABLISHING A COMMUNITY-BASED HEALTH AND HUMAN SERVICES STRATEGY BOARD.*****SUMMARY:**

This bill establishes a Community-Based Health and Human Services Strategy Board to recommend a long-term funding solution for “the provision of grants” to community providers that are under purchase of service (POS) contracts with the state to provide health and human services (see COMMENT). (It is unclear what type of grants these are and under what circumstances providers would receive them.) By law, the Office of Policy and Management (OPM) pays private health and human service providers that contract with state agencies (see BACKGROUND).

The bill authorizes the board to contract, within available appropriations, with consultants who have expertise in economics, labor, higher education, or accounting to assist in carrying out its duties. However, the bill does not make an appropriation to the board. It allows the board to receive funds from any public or private source to carry out its duties.

By January 1, 2009, and every October 1 thereafter, the board must submit an annual report to the governor and the Appropriations, Public Health, and Human Services committees. The report must detail the board’s (1) proposed budget recommendations, (2) research and analysis, and (3) proposed policy changes.

EFFECTIVE DATE: Upon passage

**MEMBERSHIP**

The board has 22 members, 14 of whom are voting and eight of whom are ex-officio, non-voting members. Of the 14 voting members, the governor and the six top legislative leaders appoint two members each. Initial appointments must be made by August 1, 2008. Appointing authorities fill vacancies. (The bill does not specify whether members are compensated.) Table 1 lists the voting members and their appointing authority.

**Table 1: Voting Board Members**

<b>VOTING MEMBERS</b>	
<b>Appointing Authority</b>	<b>Appointments</b>
Governor	Health and human services provider  Parent of a child or adult with disabilities
Senate president pro tempore	Appointee with labor market knowledge  Appointee whom the executive director of the Connecticut Association of Nonprofits recommends
Senate majority leader	Appointee with Medicaid policy knowledge  Appointee whom the president of SEIU 1199 recommends
Senate minority leader	Appointee with knowledge of purchase of service agreements or education  Appointee whom the executive director of Council 4 AFSCME recommends
House speaker	Appointee with knowledge of social services  Appointee whom the CEO of Connecticut Community Providers Association recommends
House majority leader	Appointee with knowledge of economics  Appointee whom The ARC of Connecticut recommends

House minority leader	<p>Appointee with knowledge of bonding</p> <p>Appointee whom the Connecticut Nonprofit Human Services Cabinet recommends</p>
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The nonvoting, ex-officio members are the following officials, or their designees: the Office of Policy and Management secretary; executive director of the Judicial Branch's Court Support Services Division; and the commissioners of the departments of Developmental Services, Correction, Public Health, Mental Health and Addiction Services, Children and Families, and Social Services.

### ***Cochairpersons***

The bill makes the member whom the Senate president pro tempore appoints with labor market knowledge, and the member whom the House speaker appoints with knowledge of social services, the board's cochairpersons. It requires them to convene the first meeting by September 1, 2008.

### **DUTIES AND RESPONSIBILITIES**

The board is generally responsible for making recommendations concerning a long-term funding solution for the provision of grants to community providers under purchase of service contracts so the providers may provide ongoing direct health and human services to state agency clients. The bill specifically requires the board to make recommendations to the governor and the General Assembly concerning the development of a statewide strategic plan for providing continued state-funded, community-based health and human services.

The recommendations must include:

1. strategies to provide consistent funding for state-funded, community-based health and human services;
2. strategies to provide providers with cost of living and other payment adjustments using an indexing option such as the Consumer Price Index, Medical Consumer Price Index, Home

Health Market Basket through the federal Centers for Medicare and Medicaid Services, or any other indexing option;

3. a budget to implement the board's recommended indexing option; and
4. a budget and plan for stabilizing the service delivery system until the indexed payments are allocated.

The bill also requires the board to conduct research and analysis concerning the problems with health and human services funding delivery, including:

1. the impact of differential wages on service provision in the private and public sectors, including statistics on the wages and benefits of private-sector employees, public-sector employees, and private-sector unionized employees in the human services field;
2. the impact of standard wage legislation in the state;
3. a comparison of the compounded Medical Consumer Price Index to the cost-of-living allocations made to service providers over the last 20 years;
4. an analysis of the percentage increase in the cost of health, workers' compensation, and property casualty insurance and energy costs since 2000, and a projected increase for them until 2013;
5. projected labor market trends until 2013; and
6. any other research or analysis the board deems necessary to accomplish its duties.

## **BACKGROUND**

### ***POS Contractors***

To ensure continuity of care in the delivery of health and human

services, state law requires the OPM secretary, by January 1, 2008, to develop a plan in consultation with the Connecticut Nonprofit Human Services Cabinet and representatives of state agencies that provide health and human services for the competitive procurement of such services. In developing the plan, the secretary must consider the current market rate for the services. The secretary must also consider whether (1) services provided by a new private provider assure the health, safety, and well-being of service recipients; (2) services provided by a new private provider assure that community-based services are conveniently located and readily accessible for service recipients; (3) selection of a new private provider can avoid unnecessary challenges of local zoning law; and (4) whether selection of a new private provider can avoid creating a conflict with the current service provider's existing bonding contracts or placing the current service provider at risk for losing bonding investment. The secretary may implement the plan beginning July 1, 2008 (CGS § 4-70b(e)).

***Related Bills***

sSB 413, reported by the Human Services and Appropriations committees, establishes a commission on community-based services to study and make recommendations concerning a long-term funding solution for community providers under purchase of service contracts.

sHB 5887, reported by the Government Administration and Elections committee, requires state personal service and POS contracts to contain provisions setting deadlines for the agency rejecting or awarding a contract and making a payment once contracted services are provided.

**COMMENT*****Board's Location and Appropriation***

The bill establishes the board but does not (1) specify whether it is an independent agency or located in an existing agency or (2) make an appropriation to it to carry out its duties. If it is an independent agency, the bill does not specify in which agency it is located.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea    12    Nay   0    (03/17/2008)